MONTHLY REVIEW

of Credit and Business Conditions

FEDERAL RESERVE BANK OF NEW YORK

INDEX FOR THE YEAR 1944

Page

Agriculture

Agricultural production 86

Table

Indexes of agricultural production in the United States, 1940-44 86

Apparel Stores

Table

Percentage change from the preceding year in net sales and stocks on hand, in Second Federal Reserve District 8, 16, 24, 32, 40, 48, 56, 64, 72, 80, 88, 96

Bank Credit Groups

For financing small business 91

Bank Investment Policies and Views Concerning Postwar Developments 83

Business Activity and Manpower Shortages 63

Business Indexes

Table

Indexes of business 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Central Banks

Wartime changes in foreign central bank reserve requirements 67

Chart

Wartime increase in central bank note circulation, June 1939-June 1944 (27 countries) 69

Circulation

Currency circulation 2, 10, 25, 41, 65, 81

Growth in currency circulation in foreign countries 68

Chart

Wartime increase in central bank note circulation June 1939-June 1944 (27 countries) 69

Construction

Volume of construction 13

Chart

Value of construction contract awards in 37 Eastern States and in New York and Northern New Jersey, 1919-1943 14

Consumer Credit

Review of the volume of consumer credit 23

Data on cash and credit sales collected from leading department and furniture stores in Second District 23

Retail credit survey for 1943 35

Tables

Estimated change in the volume of consumer short term credit, 1942, 1943 23

Sales and current assets and liabilities, 1942 and 1943, for stores covered in the retail credit survey, Second Federal Reserve District 36

Charts

Estimated short term consumer debt outstanding at end of each month, classified by principal types of debt, 1934-1943 23

Page

Percentage changes, 1942 to 1943, in sales and accounts receivable, for stores covered in the retail credit survey, by type of business, Second Federal Reserve District 35

Percentage distribution of sales, 1942 and 1943, by type of sale, for various classes of stores covered in the retail credit survey, Second Federal Reserve District 35

Consumers' Goods Industries

Consumers' goods industries in New York City—apparel, printing, and miscellaneous industries 52

"Spot authorization" to produce 95

Contract Settlement Act of 1944 78

Corporate Financing

See Securities

Cost of Living

Table

Index of cost of living 7, 14, 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Credit

Bank credit groups for financing small business 91

See, also, Loans

Crops

See Agriculture

Currency Circulation

See Circulation

Department Stores

Revision of indexes of department store sales, Second District 8

Trade in Second Federal Reserve District, monthly review 8, 15, 24, 32, 40, 48, 56, 64, 72, 80, 87, 95

Effect of consumer credit regulation in Second District on sales of leading department and furniture stores 23

Tables

Indexes of department store sales and stocks, Second Federal Reserve District 8, 16, 24, 32, 40, 48, 56, 64, 72, 80, 88, 96

Percentage change from the preceding year in net sales and stocks on hand for department and apparel stores by locality, in Second Federal Reserve District 8, 16, 24, 32, 40, 48, 56, 64, 72, 80, 88, 96

Collection ratio and percentage change in accounts receivable, department and furniture stores, Second Federal Reserve District 24

Percentage change from the preceding year and percentage distribution in cash and credit sales, department and furniture stores, Second Federal Reserve District 24

Estimated value of sales in six Second District cities, 1944 and 1935-39 average 80

Charts

Indexes of sales, receipts of merchandise, stocks on hand, and outstanding orders of department stores, Second Federal Reserve District, 1940-1943 16

Department store sales, 1939-43, Second Federal Reserve District, distribution by departmental groups 48

Revised indexes of department store sales, United States and Second Federal Reserve District, 1935-1944 56

Department store sales by type of transaction, Second Federal Reserve District, 1939-1944 72

Page

Second District department store sales and stocks by type of merchandise, October 1939-October 1944 96

Deposits

Member banks 3, 11, 20, 33, 58, 74, 82
Survey of business and personal demand deposits 28, 76
Distribution of deposits by size of account and by size of bank 77

Tables

Index of velocity of demand deposits 7, 14, 22, 32, 38, 47, 55, 64, 71, 80, 88, 95
Distribution by type of owner, of demand deposits of individuals, partnerships, and corporations in 129 banks in the Second Federal Reserve District, Feb. 1944 28
Percentage distribution, by type of owner, of classified demand deposits of individuals, partnerships, and corporations, according to size of accounts in different size banks, Second Federal Reserve District, Feb. 1944; July 1944 28, 78
Classified demand deposits of individuals, partnerships, and corporations in 25 banks outside New York City and in 6 banks in New York City, distributed by type of owner, December 1941, July 1943, and February 1944, and as percentage of deposits in December 1941 29
Changes in total deposits of member banks since December 31, 1940, Second and other districts 74
Demand deposits of individuals, partnerships, and corporations, classified by type of owner, in 106 banks in the Second Federal Reserve District, July 1943, February 1944, and July 1944 76
Estimates of demand deposits of individuals, partnerships, and corporations, classified by type of owner, for all member banks in Second Federal Reserve District, July 1944 77
Percentage distribution, by type of owner, of classified demand deposits of individuals, partnerships, and corporations, according to corporate and other accounts in different size banks, Second Federal Reserve District, July 1944 77

Charts

War Loan deposits in special depositaries for account of sales of Government securities, and credits to and withdrawals from such accounts, 1942-43 2
Net demand deposits plus time deposits and reserve requirements of all member banks, December 1942-March 1944 26
Net demand deposits and time deposits of all member banks, by reserve classification of banks, December 1942-March 1944 34
Adjusted demand deposits of weekly reporting member banks, 100 cities and New York City, 1942-1944 57

Earning Assets

Member banks 3, 11, 20, 26, 34, 43, 66, 82

Electric Power

Regional differences 15

Table

Index of electric power output 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Chart

Daily average production of electric power in the United States, and in New York and New Jersey, 1929-43 15

Employment

Review of employment and payrolls 6, 15, 31, 40, 55, 63, 79
Principal sources of employment in New York City 37
Outlook for postwar employment in New York City 38, 46

Tables

Index of factory employment 22, 32, 38, 47, 55, 64, 71, 80, 88, 95
Percentage distribution of New York City residents gainfully occupied, by occupational groups, 1890-1940 37

Page

Charts

Indexes of factory employment and payrolls in selected industrial areas in New York State, 1939-1943 6
Indexes of factory employment and payrolls in New York City and in Upstate New York and in New York State, 1940-1944 32, 55
Distribution of employed residents of New York City, by industries, as of April 1940 37
Indexes of factory employment, selected industries, New York State, 1940-1944 79

See, also, New York City

Factory Employment

See Employment

Factory Payrolls

See Payrolls

Federal Reserve Credit

Comment 1, 10, 18, 41, 59, 65, 73, 81, 89

Table

Changes in holdings of U. S. Government securities by Federal Reserve Banks, direct and guaranteed 3, 10, 18

Financing War Contract Termination 78

Foreign Accounts

Reserve funds lost through foreign account operations 41, 74

Foreign Exchanges

Tentative currency arrangements and relative rates of exchange for liberated areas 75

Freight

Table

Ton-miles of railway freight 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Furniture Stores

Trade in the Second Federal Reserve District 7

Tables

Percentage changes from previous year in net sales, stocks on hand, accounts receivable, and collections, by locality, Second Federal Reserve District 8
Comparisons with previous year of credit sales, stocks on hand, and collections, Second Federal Reserve District, New York City, and outside New York City 8

Gold

Foreign purchases of gold 43
Gold reserves of Latin American and other countries 44
Gold and silver sales in Eastern countries 93

Table

Monetary gold reserves of various countries, August 1939, June 1941, March 1944 44

Chart

Increase in U. S. gold stock and in reported net liability to foreigners, cumulative since December 1934 44

Impact of War on Commercial Banks 82

Income

Income payments in the Second Federal Reserve District 71

Tables

Index of income payments in the United States 22, 32, 38, 47, 55, 64, 71, 80, 88, 95
Income payments to individuals by industrial source, U. S. and New York State, 1939, 1943 71

Income Tax Collections

Effect on money market 25, 33, 50, 73

Industrial Loans

Federal Reserve Bank of New York 51

Investments

Member banks 3, 11, 20, 26, 34, 43, 49, 57, 66, 81

Page

Labor Supply
Adequacy of labor supply in the Second Federal Reserve District 54
Classified labor market areas, Second Federal Reserve District, June 1944 55
Table
Population of labor market areas as percentages of total population, Second District and United States, January 1943-June 1944 54

Livestock and Products
See Agriculture

Loans
Member banks, review 3, 11, 20, 26, 34, 57, 82, 90
Industrial, of the Federal Reserve Bank of New York 51
To war industries under provision of Regulation V 51, 83
Bank credit groups for financing small business 91
Termination
See Financing War Contract Termination
Table
Industrial loans and commitments approved in the Second Federal Reserve District, June 1934-May 1944, by size 51

Manufacturing
Manufacturing industries in New York City 45
Table
Comparison of five leading manufacturing cities of the United States, 1939 45
Charts
Distribution of wage earners in manufacturing industries, 1939, United States and New York City 46
Measures of activity in textile manufacturing, 1939-1944 47
New York City's share in total employment of wage earners in manufacturing industries, 1939 53

Member Banks
Member bank reserve position 2, 10, 18, 25, 33, 42, 50, 59, 65, 74, 81, 89
Member bank credit changes 3, 11, 19, 26, 34, 43, 66, 82, 89
Behavior of required reserves 26
Member bank earnings in 1943 30
Loans 3, 11, 20, 26, 34, 82, 90
Tables
Changes in holdings of U. S. Government securities by the weekly reporting member banks, for New York City and 100 other cities 3, 11, 20
Selected average operating ratios of all member banks, Second Federal Reserve District, 1942 and 1943 30
Changes in total deposits of member banks since December 31, 1940 74
Wartime changes in total Government securities and loans of member banks 83
Charts
Distribution of excess reserves of member banks, by country banks, reserve cities, Chicago and New York, 1942-1944 10, 89
Net demand deposits plus time deposits, and reserve requirements of all member banks, December 1942-March 1944 26
Principal factors affecting member bank reserves, changes since December 30, 1942 41, 65
Principal factors affecting member bank reserves in the Second Federal Reserve District, exclusive of Federal Reserve credit, 1942-1944 50

Money Market
Review of the money market, monthly 1, 10, 17, 25, 33, 41, 49, 57, 65, 73, 81, 89
Impact of the war on the New York money market 73

Munitions
Table
Index of munitions output 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

New York City
The working population of New York City 36
Occupational structure of resident population 37
Postwar employment, outlook 38, 46
Manufacturing industries in New York City, structure and outlook 45, 46
Consumers' goods industries in New York City—apparel, printing, and miscellaneous industries 52
New York City as the corporate capital of the U. S. 60
The position of the New York industrial region in war production 62
Tables
Percentage distribution of New York City residents gainfully occupied, 1890-1940 37
Number of principal executive offices of listed corporations in 1937, by selected industry groups, and by size of assets, U. S. and New York City 61
Charts
Distribution of wage earners in manufacturing industries in U. S. and New York City, 1939 46
New York City's share in total employment of wage earners in various manufacturing industries, 1939 53
Value of war supply contracts in New York metropolitan area, 1941-1944 63

Payrolls
Table
Index of factory payrolls, U. S. and New York State 22, 32, 38, 47, 55, 64, 71, 80, 88, 95
See, also, Employment

Population
Working population of New York City 36

Prices
Wholesale commodity prices 21
Chart
Indexes of wholesale commodity prices, 1939-1943 5

Production
Industrial activity in the war period, review 21
War production and reconversion 94
Agricultural
See Agriculture
Table
Index of industrial production 22, 32, 38, 47, 55, 64, 71, 80, 88, 95
Charts
Steel merchant ships over 2,000 gross tons completed by U. S. shipyards, 1914-1943 7
Daily average production of electric power in the United States, and in New York and New Jersey, 1929-1943 15
Measures of activity in selected industries—steel, cotton, copper, cement, meatpacking, bituminous coal 21
Measures of activity in textile manufacturing 47
Indexes of agricultural production in United States, 1910-44 87

Production and Trade
Production and trade activity 6, 14
Notice of suspension of indexes 14
Table
Indexes of production and trade 7, 14

Reconversion
War production and reconversion 94

Redemptions
Series E bonds 59
Chart
Redemptions of Series E bonds as per cent of amount outstanding at beginning of quarter, 1941-44 60

Reserves
New York City banks and elsewhere 2, 10, 18, 25, 33, 42, 50, 59, 65, 74, 81, 89

Page

Behavior of required reserves 26
Wartime changes in foreign central bank reserve requirements 67
Tables
Factors of gains and losses of reserve funds to member banks in the Second Federal Reserve District, 1941-1944 74
Changes in reserve balances of member banks since December 31, 1940—Second and other districts 74
Charts
Distribution of excess reserves of member banks, 1942-44 10, 89
Net demand deposits plus time deposits and reserve requirements of all member banks, December 1942-March 1944 26
Principal factors affecting member bank reserves, changes since December 30, 1942 41, 65
See, also, Member Banks

Retail Trade
Table
Indexes of sales of all retail stores 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Second Federal Reserve District
See Bank investment policies and views concerning postwar developments
Department stores
Deposits
Employment and payrolls
Furniture stores
Loans
Member bank credit, changes in
Member bank earnings
Money market, monthly
War contracts
War finance

Securities
New security issues 4, 75, 85
Developments in the security markets 5, 11, 20, 31, 34, 45, 49, 57, 65, 73, 82
U. S. Savings bonds, redemption of Series E 59
Redistribution of Fifth War Loan securities 66
Tables
Estimated absorption of United States Government securities, by nonbanking investors, 1942-1944 18
Changes in commercial bank holdings of Government securities 90
Charts
Monthly average volume of domestic corporate security issues for refunding and for new capital, 1937-1943 5
1936-1944 75
Redemptions of Series E Savings bonds as per cent of amount outstanding at beginning of quarter, 1941-1944, U. S. and Second District 60
Sales of securities in the five War Loans, by type of investor, Second and other districts 70

Silver
Gold and silver sales in Eastern countries 93

Small Business
Bank credit groups for financing small business 91

Spot Authorization
See War Production and Reconversion

System Open Market Account
See Federal Reserve Credit

Termination Loans
See Financing War Contract Termination

Treasury Bills
Chart
Ownership of outstanding Treasury bills 81
See, also, Money Market

Page

Treasury Operations
Review of Treasury operations 2, 50

U. S. Budget
The Federal budget and the Fourth War Loan 9
Federal budget estimates for fiscal year 1945; expenditures; receipts from taxation and borrowing 12
Tables
War expenditures (including net outlays of Government corporations) by periods 12
Summary of the Federal budget, 1943-45, by classifications 13
Government expenditures, receipts, and borrowing, 1943 and 1944 58
Chart
Federal Government receipts, expenditures, and borrowing 1939-1945 9

Velocity of Demand Deposits
Table
Index of velocity of demand deposits 7, 14, 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

Wages
Table
Index of wage rates 7, 14, 22, 32, 38, 47, 55, 64, 71, 80, 88, 95

War
Impact of, on commercial banks 82

War Contracts
War supply and facility contracts, Second Federal Reserve District 39
Financing war contract termination 78
Tables
Value of major war supply and facility contracts, United States and Second Federal Reserve District, by area 39
Distribution of major war supply contracts by leading urban industrial areas 62
Chart
Value of war supply contracts in New York metropolitan area, 1941-1944 63

War Finance
Fourth War Loan 4, 19, 27
The Federal budget and the Fourth War Loan 9
Fifth War Loan 49, 57, 59, 66, 69
Sixth War Loan 85, 89, 91
Treasury requests that banks avoid financing of speculative subscriptions 4, 11, 17, 27, 57, 85, 91
War financing in fiscal years 1943 and 1944 58
Tables
Sales during Third and Fourth War Loan drives, by type of investor, United States and Second Federal Reserve District 27
Government expenditures and Treasury receipts, fiscal years 1943 and 1944, and sources of funds for the absorption of increase in public debt 58
Chart
Sales of securities in the five War Loans, by type of investor, Second and other districts 70

War Loan Deposits
Changes in War Loan account deposits 2, 26, 33, 65
Behavior of required reserves as related to War Loan account deposits 26
Chart
War Loan deposits in special depositaries; credits to and withdrawals from such accounts, 1942-1943 2
See, also, Money Market

War Production and Reconversion 94